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process them to the servicing fiscal office. Such approval must be within the limitations of the contracting officer and the contract for which the voucher is submitted must be within the contracting officers delegation of contracting authority. (Note 842.801-70 regarding disallowing costs.)

Subpart 842.12—Novation and Change-of-Name Agreements

842.1203 Processing agreements.

Prior to execution of novation and change-of-name agreements by a Department of Veterans Affairs contracting officer, he/she will forward the agreement and related documents to the Office of General Counsel for review as to legal sufficiency. The documents will be submitted through the same channels as those prescribed for legal review of contracts in 801.602-72.

PART 846—QUALITY ASSURANCE

Subpart 846.3—Contract Clauses

Sec.

846.302-70 Inspection.

Subpart 846.4—Government Contract Quality Assurance

846.408-70 Inspection of subsistence.

846.408-71 Waiver of USDA inspection and specifications.

846.470 Use of commercial organizations for inspections and grading services.

846.471 Determination authority.

846.472 Inspection of repairs for properties under the Loan Guaranty and Direct Loan Programs.

846.472-1 Repairs of \$1,000 or less.

846.472-2 Repairs in excess of \$1,000.

AUTHORITY: 38 U.S.C. 501 and 40 U.S.C. 486(c).

SOURCE: 49 FR 12625, Mar. 29, 1984, unless otherwise noted.

Subpart 846.3—Contract Clauses

846.302-70 Inspection.

Contracts for property will include the clause 852.210-72(a), "Rejected Goods," except that contracts for packinghouse, dairy products, bread and bakery products, and fresh and frozen fruits and vegetables will include the

clause prescribed in 852.210-72(b), "Rejected Goods."

Subpart 846.4—Government Contract Quality Assurance

846.408-70 Inspection of subsistence.

(a) The contracting officer will determine at the time of issuance of the solicitation whether inspection for specification compliance will be made: (1) Prior to shipment by representatives of the U.S. Department of Agriculture (USDA) or the Department of Commerce, or (2) at the time of delivery by personnel of the purchasing activity. The place of inspection will be indicated in the solicitation.

(b) Since the requirement for USDA or Department of Commerce inspections and certifications results in additional contractor costs which may be ultimately reflected in bid prices, the contracting officer, in consultation with the Chief, Dietetics Service, must evaluate the need for such inspections. The evaluation shall include the following:

(1) The quality assurance already provided by other mandatory inspection systems;

(2) The proposed suppliers' own quality control system;

(3) Experience with the proposed suppliers;

(4) The feasibility of prequalifying suppliers' quality assurance systems and subsequently waiving certifications for future solicitations; and

(5) The cost of the inspections.

(c) When either the USDA or the Department of Commerce is indicated as the inspection activity, the solicitation will also provide that the contractor is responsible for:

(1) Arranging and paying for inspection services.

(2) Obtaining from the inspection activity a certificate indicating the product complies with specifications. Such certificate, or copy, should accompany the shipment or be furnished to the receiving installation prior to shipment. The contractor shall notify the installation when the certificate is not immediately available.

(3) Seeing that acceptable products are covered by an inspection agency checkloading certificate or stamped by

the inspector as prescribed by the contracting officer. Products not so identified shall be rejected.

(4) Furnishing samples for inspection at his/her expense.

(5) Indicating the address where inspection will be made.

(d) The contracting officer will furnish a copy of the purchase document to the inspecting activity.

[49 FR 12625, Mar. 29, 1984, as amended at 51 FR 37027, Oct. 17, 1986; 54 FR 40065, Sept. 29, 1989]

846.408-71 Waiver of USDA inspection and specifications.

(a) Contracting officers may purchase butter; cheese (except cottage cheese); sausage; meat food products;¹ bacon, smoked; and bacon, Canadian style, without reference to the specifications in Federal Hospital Subsistence Guide G-1, and the USDA inspection requirements, when the amount of an item to be purchased will not exceed 500 pounds per delivery. When these items are procured together with items that are not exempt, the solicitation shall include the following:

Items * * * are not required to be in accordance with the specifications contained in Federal Hospital Subsistence Guide G-1, and the special USDA inspection is not required. Inspection for quality and condition will be made by VA upon delivery at destination. These items are, however, subject to the quality controls stated herein.

(b) As appropriate, the following statements shall be included in each invitation for bid, request for proposal or purchase order:

(1) Butter. This product must be graded by the USDA and labeled "Grade A" or the grade specified herein.

(2) Sausage and meat food products:

(i) This product must be a high commercial product and shall have been prepared in a federally inspected plant and bear the USDA establishment number stamp which evidences that it

is sound, healthful, wholesome and fit for human consumption; and

(ii) This product must bear a label complying with the Federal Food, Drug and Cosmetic Act which requires that all ingredients be listed according to the order of their predominance.

(3) Bacon, smoked; and bacon, Canadian style. This product must be a high commercial product and shall have been prepared in a federally inspected plant and bear the USDA establishment number stamp which evidences that it is sound, healthful, wholesome, and fit for human consumption.

(c) When using a "brand name or equal" purchase description every brand name item that is known to be acceptable and available in the area will be listed.

[49 FR 12625, Mar. 29, 1984, as amended at 51 FR 37028, Oct. 17, 1986]

846.470 Use of commercial organizations for inspections and grading services.

Commercial organizations may be used for inspection and grading services when it is determined that the results of a technical inspection or grading are dependent upon the application of scientific principles or specialized techniques, and it is further determined that:

(a) The Department of Veterans Affairs is unable to employ the personnel qualified to properly perform the services and is unable to locate another Federal agency capable of providing the service.

(b) The inspection or grading results issued by a private organization are essential to verify the acceptance or rejection of a special commodity.

(c) The services may be performed without direct Government supervision.

[49 FR 12625, Mar. 29, 1984, as amended at 54 FR 40065, Sept. 29, 1989]

846.471 Determination authority.

The determinations required in 846.470 will be made by:

(a) The Director, Office of Construction, for those items and services for which purchase authority has been assigned to him/her.

(b) The Director, Veterans Canteen Service, VHS&RA, for those items and

¹Meat food products shall mean processed foods containing meat in substantial proportion and other listed ingredients including seasoning, e.g., frankfurters, coldcuts. Whole or prefabricated meats, e.g., pork chops, hamburger, are considered meats, not meat food products.

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services purchased, or contracted for, by the Veterans Canteen Service (except those items purchased from Department of Veterans Affairs supply sources).

(c) The Deputy Assistant Secretary for Acquisition and Materiel Management for all other supplies, equipment and services.

846.472 Inspection of repairs for properties under the Loan Guaranty and Direct Loan Programs.

Final inspection will be made of all repair programs upon completion. In addition such intermediate or progress inspections will be made on extensive or technical jobs as specified in the contract.

846.472-1 Repairs of \$1,000 or less.

(a) Generally, inspections required will be made by the management broker. If the property has not been assigned to a management broker or if it has been determined that the nature of the repairs requires supervision by a technician, the inspection will be made by a qualified fee or staff inspector.

(b) There is no form prescribed for this inspection but VA Form 26-1839, Compliance Inspection Report, may be used if desired. Regardless of the form in which the report is submitted, it will be in sufficient detail to identify the contractor, property, and the repair program and to enable the contracting officer to make a determination that the work is being performed satisfactorily or completed in accordance with the terms of the contract.

846.472-2 Repairs in excess of \$1,000.

(a) The final inspection and any intermediate or progress inspections on repairs exceeding \$1,000 will be made by a qualified fee or staff inspector. If a management broker is qualified to supervise major repairs, he/she may be authorized to conduct the inspections.

(b) Report of inspections will be made on VA Form 26-1839, Compliance Inspection Report. The form will be completed to identify the property, contractor, and repair program and will also include such detailed information to enable the contracting officer to make a determination that the work is being performed satisfactorily or that

it has been completed in accordance with the contract terms. Any deficiencies noted will be itemized and explained in detail.

PART 847—TRANSPORTATION

Subpart 847.3—Transportation in Supply Contracts

847.303-1 F.o.b. origin.

847.303-70 F.o.b. origin, freight prepaid, transportation charges to be included on the invoice.

847.304 Determination of delivery terms.

847.304-1 General.

847.305-70 Potential destinations known but quantities unknown.

AUTHORITY: 38 U.S.C. 210 and 40 U.S.C. 486(c).

SOURCE: 49 FR 12627, Mar. 29, 1984, unless otherwise noted.

Subpart 847.3—Transportation in Supply Contracts

847.303-1 F.o.b. origin.

(a) Normally shipments falling within this category will be shipped on a Government bill of lading, except for those shipments covered by 41 CFR 101-41.304-2.

(b) Shipment of flat bronze markers by the vendor, as directed by the Director, Monument Service, or his/her designee, will be made by parcel post. VA Form 40-4951, Order for Flat Bronze Marker, will be used for this purpose.

847.303-70 F.o.b. origin, freight prepaid, transportation charges to be included on the invoice.

(a) The delivery terms will be stated as "f.o.b. origin, transportation prepaid, with transportation charges to be included on the invoice," under each of the following circumstances:

(1) When it has been carefully determined that an f.o.b. origin purchase or delivery order will have transportation charges not in excess of \$100 and the occasional exception does not exceed that amount by an unreasonable amount;

(2) Single parcel shipments via express, courier, small package, or similar carriers, *regardless of shipping cost*, if the parcel shipped weighs 70 pounds